

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3212 - SB 3249**

March 3, 2010

**SUMMARY OF BILL:** Increases from two to four the hours of direct care that a nursing home must provide to each patient every day.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$62,451,500**

**Not Significant/Board for Licensing Health Care Facilities**

**Increase Federal Expenditures - \$120,048,500**

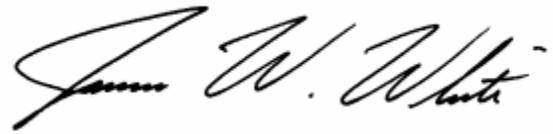
**Assumptions:**

- The provisions of the bill will require two additional hours of direct care to nursing home patients per day.
- According to the Bureau of TennCare, there are approximately 25,000 Medicaid nursing home residents.
- The Bureau estimates that the cost of direct care is approximately \$10 per hour because some of the care can be provided by nursing aides.
- The increase in expenditures for two additional hours of direct care is estimated to be \$182,500,000 (2 hours x 365 days per year x \$10 x 25,000).
- Of the \$182,500,000, there will be \$62,451,500 in state funds at a rate of 34.22 percent and \$120,048,500 will be federal funds at a 65.78 match rate.
- Any necessary rule changes by the Board for Licensing Health Care Facilities will be accomplished during a regularly scheduled meeting of the Board. Any cost can be accommodated within existing resources of the Board without an increase in fee revenue.

- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. The Board had deficits of \$440,300 in FY06-07 and \$217,700 in FY07-08. The Board's FY08-09 balance is not yet available.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

James W. White, Executive Director

/kml